

Financial Regulation: Weekly Update

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Highlights

1. EC publishes proposal on NSFR and Securities Financing Transactions
2. SRB consults on its expectations on valuation capabilities
3. EIOPA publishes technical advice to EC on capital requirements for insurers' crypto asset holdings
4. PRA consults on the deposit protection limit and bank resolution (recapitalization) bill
5. PRA and FCA consult on the de minimis threshold for loan to income flow limit in mortgage lending

Global

- **BCBS publishes results for the Regulatory Consistency Assessment Program in Türkiye**
It finds that the [implementations](#) of the NSFR and the Leverage Exposure (LEX) frameworks are compliant with the global standards (the highest overall grade).
- **IOSCO publishes report on the Standards Implementation Monitoring for Regulator Principles 6 and 7**
It [addresses](#) systemic risk and perimeter of regulation. Apart from highlighting good practices, it notes that some jurisdictions do not have clear responsibilities and regulatory processes with respect to systemic risk.

Europe

- **EC publishes proposal on NSFR and STFs**
In order to ensure a [level playing field](#) between European and international banks, it maintains the current transitional arrangements on NSFR for short-term Securities Financing Transactions and unsecured lending.
- **ESAs publish evaluation report on the Securitization Regulation**
It [puts forward](#) recommendations to strengthen the overall effectiveness of Europe's securitization framework through simplification while ensuring a high level of investor protection and financial stability.
- **SRB consults on its expectations on valuation capabilities**
Introduces [expectations](#) on: i) Valuation Data Index (information necessary for valuations), ii) data repositories for resolution (minimum functionalities), and iii) valuation playbooks. Deadline: July 2, 2025.
- **ESAs publish update on risks in the EU focusing on geopolitical tensions and cyber risks**
They [recommend](#) supervisors and financial entities to be prepared for continued market volatility, the potential materialization of liquidity risks and adverse developments, including by provisioning adequately.

- **ECB publishes opinion on a regulation proposal to shorten the settlement cycle in the EU**
It [welcomes](#) the EC and EP proposed regulation to reduce the maximum duration of the settlement cycle of certain transactions in transferable securities from two business days to one business day.
- **ESMA consults on transparency requirements for derivatives under MiFIR review**
It seeks [input](#) on RTS on transparency requirements for derivatives, amendments to RTS on package orders, and RTS on input/output data for the over-the-counter derivatives consolidated tape. Deadline: July 3, 2025.
- **ESMA consults on simplified insider list formats under the Listing Act amendments to MAR**
It [proposes](#) changes to the format for drawing up and updating insider lists, as part of the Listing Act amendments to the Market Abuse Regulation to reduce the administrative burden. Deadline: June 3, 2025.
- **ESMA publishes its annual peer review of EU CCP supervision**
It measures the [effectiveness](#) of NCA supervisory practices in assessing CCP compliance with EMIR requirements. This year's review of the functioning of CCP colleges remains positive overall.
- **ESMA clarifies some aspects of the consolidated tape for bonds**
It provides [clarification](#) on the timing of the entry into force and application of the delegated acts related to CTP and the possibility of ESMA granting a transition period to the selected and authorized CTP for bonds.
- **ESMA publishes its first code package on the public code repository to facilitate its usage**
It [provides](#) tools to search and download data from some of ESMA's registers and adds value by facilitating the visualization and (re)use of data otherwise only available at a very granular level in these registers.
- **EIOPA publishes technical advice to EC on capital requirements for insurers' crypto asset holdings**
It [recommends](#) that a one-to-one capital requirement be applied consistently to all crypto holdings of EU (re)insurers. It considers a 100% haircut in the standard formula prudent and appropriate for these assets.
- **EIOPA publishes the Ultimate Forward Rate (UFR) for 2026**
It does [not change](#) for any of the relevant currencies compared to this year. This means an applicable UFR of 3.30% as of 1 January 2026 for the euro.

United Kingdom

- **PRA consults on the deposit protection limit and bank resolution (recapitalization) bill**
It [seeks to](#): i) increase deposit protection limit from £85,000 to £110,000 (from Dec 1, 2025) and ii) expand the FSCS's functions to include making recapitalization payments, and levying firms to recoup those payments. Deadlines: Jun 30, and Apr 30, 2025 respectively.
- **PRA and FCA consult on the de minimis threshold for loan to income flow limit in mortgage lending**
It [sets out](#) a proposal to increase the LTI flow limit the de minimis threshold from £100 million per annum to £150 million per annum. Deadline: May 8, 2025.

United States

- **SEC publishes its vote to end its defense of climate disclosure rules**
It [aims](#) to cease the Commission's involvement in the defense of the costly and unnecessarily intrusive climate change disclosure rules.

- **OCC withdraws principles for climate-related financial risk management for large financial institutions**
It [expects](#) all banks to have effective risk management processes commensurate with their size, complexity and risk of their activities and considers that these principles are overly burdensome and duplicative.
- **CFTC withdraws several advisories**
Withdrawn advisories on: i) [virtual currency](#) derivative product listings and ii) review of risks related to clearing [digital assets](#) (to ensure that the treatment of derivatives on digital assets does not differ from other products).
- **FDIC clarifies process for banks to engage in crypto-related activities**
The [guidance](#) affirms that institutions may engage in permissible activities without receiving prior FDIC approval (including crypto-related activities), provided that they adequately manage the associated risks.
- **CFPB issues statement on regulatory relief for small loan providers**
It will not prioritize [enforcement](#) or supervision actions with regard to any penalties or fines associated with the Payment Withdrawal and Payment Disclosure provisions once they become operative.

Recent publications of interest (in English and Spanish):

- [Press Article](#). *Achievements and challenges following a decade of European resolution*. February 2025
- [Press Article](#). *What we ask from Von der Leyen's Omnibus initiative*. February 2025
- [Press Article](#). *Less bureaucracy and regulation to boost European sustainability* (Spanish only). January 2025
- [Press Article](#). *The role of tokenization in the financial system of the future* (Spanish only). January 2025

Previous edition of our Weekly Financial Regulation Update in [English](#).

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